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The Army's Approach to Property Accountability: A Strategic Assessment

by

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THE ARMY'S APPROACH TO PROPERTY ACCOUNTABILITY: A STRATEGIC ASSESSMENT

For the last 10 years the United States has experienced persistent conflict associated with wars in Iraq and Afghanistan, as well as a broader expansion of our global war on terrorism, which finds our forces responding to threats around the world. During this time the US Army has undergone significant changes in terms of doctrine development, its approach to collective training and leader development, and the rapidness for materiel development and subsequent equipment fielding. In addition, the transformation initiatives associated with the modularity and redesigned structure of units at the corps level and below altered command relationships, as well as the overall employment, responsiveness, and capabilities of brigade-size organizations. Overlay these changes with a sustained operational tempo far above that experienced in the decades prior and one can begin to understand where points-of-friction might appear. One area of concern to the Army leadership is property accountability – specifically, how Army leaders and units at all levels have lost their way in terms of stewardship of government property. Depending how one assesses this accountability problem it could be a lack of management systems, a deterioration of leadership focus, or a divergence from an organizational culture. That is to say the Army failed to focus on the process and proven methods. It could also be a symptom of the Army's decade-long operational tempo, where units have deployed multiple times at a rapid pace, while at the same time fielding new or different equipment to their formations – a problem of too much, too fast.

The fact that the Army lost accountability for almost half a billion dollars of equipment over the last five years should give Army leaders concern enough, especially with the looming national deficit reductions and reconstitution efforts facing our Army.[1] Not necessarily as apparent, but should be of concern, is that evidence reveals that Army units have knowingly practiced supply indiscipline for the last decade, and unfortunately, practice sometimes does make perfect. This scenario presents the possibility that these developments have created a leadership gap in the Army's officer corps in terms of property stewardship knowledge and practice. Beginning with entry-level schools and followed by assignments as a platoon leader, attendance to a captain's career course school, and then assignment as a company commander is where junior officers learn the fundamentals of property accountability. These assignment and academic experiences develop young Army officers for leadership positions later as battalion executive officers and battalion commanders, where they are expected to provide oversight of Army command supply discipline programs. If junior leaders consistently learned the wrong lesson in their units, or if the Army schools lacked rigor and depth in regards to property stewardship, or both, a leadership gap and systemic stewardship problems are likely.

The Army's senior leaders have taken notice of the problem of property stewardship and their message to the force is clear. They have stated that property accountability is a priority, especially during a period of high conflict, and that leaders at all levels are responsible to ensure command supply discipline. However, a key question is whether their strategic message is suitable enough to address the myriad of property accountability problems. This paper will first examine property accountability

problems identified in various audit reports. Then it will assess the effectiveness of the Army's strategic message in the context of property accountability during a period of tremendous change, as well as the potential officer leadership gap and the Army's approach to ensuring adequate training in this area. In concluding, it will identify two key recommendations, that when combined with the current campaign plan, will help reinvigorate and solidify a culture of supply discipline.

Background: The Property Accountability Problem

For Fiscal Years 2006-2010, the US Army lost accountability for 17,205 items with an acquisition value of $435,003,496.[2] Where did it go; was it lost, stolen or destroyed, or was property only incorrectly tracked and documented? Those questions are getting answered as part of the Army's *Property Accountability Campaign Plan*, a 2010 initiative by the Army Chief of Staff and led by the Army's senior logistics organization, the DA G4. This campaign plan follows four years on the heels of a similar initiative titled, *Operation Total Recall – Property Accountability*, in which the Army attempted in 2006 to gain control of asset visibility and supply discipline across the force. By this time, the Army recognized the consequences of their May 2003 policy of limited wartime property accountability in which property accountability policies were suspended or adjusted to allow for rapid mobilization and deployment. The Army acknowledged the problem by succinctly stating, "In May 2003, a limited wartime accountability policy was implemented. The continuation of that policy for three years has led to degradation in equipment accountability which impacts the Army's visibility of equipment and the ability to resupply, refit, and generate forces."[3] Although *Operation Total Recall* directed the Army in 2006 to: complete 100% focused inventories of Army property, make updates to the computer-based hand receipt records in Property Book

Unit Supply – Enhanced (PBUSE), conduct new training for Soldiers and leaders, and to provide renewed vigor to the command supply discipline program, the Army continued to lose accountability of its property over the next four years.[4]

Although this recent 2010 campaign plan is a top-down approach and all levels of command are involved, it is the company commanders across the Army who remain largely responsible for the accountability of the Army's personal property. In their capacity they possess command or supervisory responsibility for Army property. These company commanders also have direct oversight over those within their organizations who share in the stewardship responsibilities. These stewardship roles are described in Army Regulation 735-5, *Policies and Procedures for Property Accountability,* as direct, custodial, assigned, or personal responsibility.[5] This paper does not imply or assign blame primarily to the current and former company commanders across the Army, because the reasons for the Army's current supply accountability predicament involve many layers of leadership and many nuances of organizational culture, operational tempo, and sheer velocity of equipment fielding. Regardless, any solution to the Army's property accountability problems must eventually focus on its company-grade officers for the above-stated reasons.

Upon rescinding the limited wartime accountability procedures and enacting the *Operation Total Recall* order in 2006, the Army's Audit Agency took on the task of assessing the Army's progress to re-establish stewardship programs. Of concern to the Army was the accuracy of the data available to the Army's staff and Forces Command, data relied upon to make critical decisions such as training sets and equipment sourcing for deploying units, policies and plans for left-behind equipment, and cross-leveling

decisions for units deployed to the Iraqi or Afghanistan theaters. At the corporate level, the Army relies on Army Materiel Command's Logistics Information Warehouse (LIW) data base, as well as FORSCOM's Command Asset Visibility and Equipment Redistribution (CAVERS) data base, to determine type, location, maintenance status, and quantity of the Class VII items (vehicles and major end items) assigned to units. The accuracy of the data within these systems is directly correlated to the source data inputted at the unit-level across the force, which is at the company commander level. The system of record used to enter and maintain this data is Property Book Unit Supply – Enhanced (PBUSE). The PBUSE system, which is a Web-based property accountability application located at the unit supply room, is designed to track total asset visibility in real time. Supply sergeants and company commanders are responsible for maintaining equipment identification data to include the nomenclature and serial number of each piece of equipment. Within this system the Army tracks the gains, losses, due-ins, due-outs, maintenance status and balances-on-hand of all Class VII items. In an attempt to capture the scope of the problem of property losses, it is this data which the Army Audit Agency (AAA) directed their focus beginning in August 2006.[6]

Army Audit Agency Findings

Starting with the 10th Mountain Division (Light Infantry) at Fort Drum, NY, the AAA found discrepancies with 11% (99 of 897) of the vehicles reviewed. One of the auditors' observations was that 37 vehicles were located in the Forces Command CAVERS data base, but these vehicles could not be found in the 1st or 2nd Brigade Combat Teams (BCTs), leading to the conclusion that when the division transferred significant numbers of vehicles within, into, and out of the division for various reasons,

the property book records were not always adjusted to reflect the transfer. Additionally, the agency found 28 vehicles on Fort Drum that were not recorded in CAVERS, adding to FORSCOM's false asset-visibility picture for the 10th Mountain Division (Figure 1). Even though the audit agency found 99 vehicles with location discrepancies, their review provided an incomplete picture because neither brigade received a complete assessment of their equipment posture. The 1st BCT was deployed to Iraq at the time of this audit, causing the AAA to focus only on the brigade's left-behind equipment. For the 2nd BCT, although they had recently returned from Iraq, the brigade left 94% of their rolling stock in Kuwait as part of the Army's strategy for redistributing equipment to other units in that theater. Within this audit's context and its limited look at the equipment sets for two brigade-level organizations, the auditors noted that the primary cause of these discrepancies was that units were not following established procedures for transfer of equipment ownership. The reasons for this, as given by the units in the 10th Mountain Division in their response to the Agency's findings, was that: they lacked sufficient training for their supply and property book personnel, the problem lacked emphasis at the command level, and there was an absence of sufficient guidance at the operations personnel level.[7]

10th Mnt Div (L)	Vehicles Found But Not Recorded	At Drum, but CAVERS Shows Vehicle Forward Deployed to Iraq	Unknown Source of Vehicles
1st BCT	18	5	13
2nd BCT	3		3
3rd BCT	7		7
TOTAL	**28**	**5**	**23**

Figure 1 – Summary of Key Discrepancies at Fort Drum[8]

Drawing from a more traditional unit sample, the Army Audit Agency also reviewed the 3rd BCT equipment at Fort Drum. Since 3rd BCT was neither recently deployed nor redeployed, the agency chose to sample 37% (252 pieces) of the BCT's equipment. Even though the 3rd BCT was not experiencing the same heightened operational tempo as the 1st and 2nd BCTs, their data reflected a 13% error rate when reviewing vehicles that were laterally transferred out of the brigade or turned in to depot-level maintenance programs. The auditors again concluded that units were not following established procedures for moving property into and out of units.[9]

The audit team's findings for the 10th Mountain did not present evidence that Army units were unaware of the standards or that standards either did not exist or were incomplete. However, their findings did suggest that a problem of complacency with the Soldiers and their leaders existed in regard to stewardship. According to Edgar Schein, a leading author on organizational culture, "one of the most powerful mechanisms that . . . leaders. . . have available for communicating what they believe in or care about is what they systematically pay attention to. This can mean anything from what they notice and comment on to what they measure, control, reward, and in other ways systematically deal with."[10] Another point of view offered by John Kotter, also a leading author on organizational culture, is that "The combination of cultures that resist change and managers who have not been taught how to create change is lethal."[11] A review of the audit's findings at Fort Drum suggest that the combination of a high operational tempo, relaxed property accountability standards, and a lack of command emphasis on stewardship contributed to the supply indiscipline problem for 10th Mountain units.[12]

In terms of communicating a culture of stewardship, the Army has opportunities to do this from several platforms. These platforms include professional military education programs, its manning policies which lead to qualified supply personnel across the force, and through a command climate at all levels – a climate which reinforces the command supply discipline program and associated doctrine. However, organizations can also create a negative culture, which may have been the case for the Army when it implemented the wartime supply policy, initially done as a means to reduce administrative burdens for deployments. This 2003 Army Chief of Staff directed policy suspended requirements for units to follow several basic procedures intended to provide checks and balances, and in so doing it created a relaxed accountability climate that helped reverse a previous culture of supply discipline. For instance, units no longer had to follow long-standing practices to: reconcile and validate open supply requests with their supporting supply activity, provide written delegation of authority to receipt for supplies, provide copies of assumption of command orders, or to account for component shortages of major end items.[13] Adding to the problem was the speed of equipment fieldings to the force, where new equipment often arrives to units without the necessary technical manuals to complete an inventory. Although the limited wartime supply policy was intended only for the deployed force, evidence suggest that units stationed outside of the combat zone were quick to shift their focus away from supply discipline (such as 3d BCT, 10th MNT), possibly in anticipation of a deployment and the application of reduced standards.[14]

In January 2007 the Army Audit Agency released a similar report in regards to their efforts to review accuracy for U.S. Army Reserve property. Between Fort McCoy,

WI and Fort Dix, NJ discrepancies were noted for 8% of the 856 pieces of equipment inventoried against CAPERS valued at $4.8 million.[15] Similarly, the February 2007 audit report for Fort Stewart's 3rd Infantry Division noted discrepancies with 21% (18 of 84) of their left-behind equipment. In some cases equipment was documented on rear detachment property books but was actually forward deployed with the unit (13 pieces), and some equipment was found (5 pieces) but not recorded on any property records. The auditors also discovered 22 vehicles which were transferred into 3rd ID per a Forces Command directive but were not recorded on their property books, as well as an additional 26 vehicles categorized as seed equipment which also remained undocumented at the installation. The auditors determined that units sometimes didn't process transfers in a timely manner nor conduct sufficient inventories to verify accuracy of the records. Additionally, when losses were noted, units often failed to process the financial liability documents necessary to adjust property records. Also of concern was the agency's finding that units at Fort Stewart sometimes failed to use the automated PBUSE system to account for property transactions, opting instead to use off-line spreadsheets.[16] Additional audits in May 2007 regarding the 88th and 99th Regional Readiness Commands identified 25 pieces of equipment valued at $1.47 million that were recorded in the data base but missing from the installations, as well as 27 pieces of equipment valued at $1.53 million which were observed at the installations but not recorded in PBUSE.[17]

Not immune to the problem, similar trends were also noted at overseas installations. The auditors determined that units deploying to Operation Iraqi Freedom or Operation Enduring Freedom from Europe experienced difficulty with maintaining

equipment accountability. In fact, when the U.S. Army, Europe's (USAREUR) left-behind program was audited, the May, 2011 AAA report revealed that the contractor maintaining the equipment could not account for 32% (77 of 240 pieces) of equipment in its care. The report noted that although USAREUR provided clear guidance for inducting equipment into the left-behind program, units often did not complete required tasks such as completing pre-induction inventories, providing required documentation, and completing required pre-maintenance tasks. These circumstances, coupled with unit deployment timelines, left the contractors the task to inventory, inspect, and enter data into PBUSE after the induction was completed.[18]

Upon reviewing these reports and the related Army operations orders and command messages, persistent evidence leads one to conclude that processes and systems are, and have been, in place to allow for accurate command supply discipline. However, the Army appears to have fallen into a culture of not complying with established policies and guidance. Because of the Army's struggling efforts in this matter, other organizations and senior leaders are looking to provide help. Indeed, as we enter into an environment of ever-increasing fiscal constraints, members of Congress have taken notice of this problem not only within the Army, but across the Department of Defense. Senator Tom Coburn, Oklahoma, recently requested that the Secretary of Defense provide data on each Service's loss of accountability for non-expendable personal property.[19] It is from this introspective look that the Army began its latest campaign in 2010 to establish property accountability and lead a change in culture. This latest property accountability campaign shows signs of early success, and it provides an excellent opportunity to evaluate the Army's approach to leading change.

<u>A Way To Approach The Problem</u>

There is little argument from those who study large organizations that the successful ones almost always establish their vision up front. "Of the three strategic leader tasks . . ., alignment, vision, and change, arguably the most important is for the leaders to develop and promulgate a vision for the organization."[20] Visions help organizations clarify the general direction for change, they motivate people to take action in the right direction, and they help coordinate the actions of people – even thousands, in a fast and efficient way.[21] However, vision statements typically focus on a timeframe of 5-10 years out – which is clearly beyond the necessary horizon to fix this problem, and nor should vision statements focus organizations on sub-tasks such as property accountability. However, property accountability can be part of the Army's overall strategy to accomplish its vision, which is the case here. Kotter's reflection on the nature of an effective vision is that it is linked by strategies, plans, and budgets, and in this dynamic the strategies provide the logic and first level of detail for how the vision can be achieved.[22]

Although the vision sets the focus for the organization's future, many tools exist for senior leaders to develop the necessary strategies in achieving that vision, shaping culture, or leading change. In 2010, the Army Chief of Staff, General Casey, used two such strategic leader competencies – problem management and strategic communication – to address growing concern for property accountability. The use of the problem management approach allowed GEN Casey to provide the logic and first level of detail – or strategy, to address this complex issue. "The management of strategic problems deals with issues that are competing, that have manifold implications which are often difficult to understand completely, and that have potentially catastrophic

outcomes if not resolved carefully."[23] Even though clear strategies are essential to

achieving organizational goals, a failure to communicate these essential points of logic

and detail can often lead to a stalled effort. "When leaders attempt to change through

policy, regulation, or vision, their communications are interpreted at every level."[24]

Fortunately, in his message to the force, General Casey laid out the problem succinctly:

> The army has been at war for the past nine years, while simultaneously
> undergoing the largest organizational change since World War II, and an
> equipment modernization effort that has led to over $200b in new
> equipment fielding. The amount of Army property and supplies being
> received, laterally transferred and turned in has been and remains
> unprecedented. Property accountability is every commander's
> responsibility. As we focus on executing the Iraq drawdown and build-up
> in Afghanistan, as well as continued deployments worldwide, it is
> imperative that we maintain good accountability of all Army property. We
> must know what we have and where it is – without exception.[25]

From his All Army Activities (ALARACT) message General Casey established

what he hoped to be an enduring campaign of command supply discipline – regardless

of the operational tempo. Talking to his audience of senior organizations and Direct

Reporting Units, he did not present new or original ideas, but rather restated existing

ideas and policies, acknowledging that the Army fully understood that the solution to the

problem was a return to their doctrine. General Casey articulated five key tasks in his

message: reinforce existing policies and directives, re-establish commanders'

organizational inspection programs, mentor leaders at every level on supply discipline,

redistribute or turn-in excess materiel, and establish mechanisms to monitor compliance

with good supply procedures.[26]

Although each of these five key tasks is essential to solving the problem, one

could argue that the message should have added a sixth key task to address another

critical area – a re-invigorated professional military education system at the junior officer

level, with more emphasis on stewardship. Experiential learning remains an essential

element for developing leaders in the Army, but when critical subject matter is also

taught in the military schools it will only help reinforce knowledge and provide

emphasis.[27] For this reason this paper addresses such action as one of the

recommendations for change.

The timeline for action set by the Chief of Staff was 24 months, and he

established the Army's G4 as the lead agency to lead the change. Whether this recent

message will resonate differently with the Army than did the *Total Recall* directive

issued in 2006 remains to be been. As Edgar Schein points out, "there is a difference

between the messages delivered from staged settings . . . and the message received

when that leader is observed informally. The informal messages are the more powerful

teaching and coaching mechanism."[28] What seems important with this point is whether

or not the actions of our commanders located from battalion through division will

reinforce the Chief's message through command emphasis, mentoring, and established

Army systems. Shaping culture and leading change are never easy, but having a

consistent message and approach helps to build consensus within any organization.

Accountability Assessment: Leading Change

This paper will now apply the principals espoused in the eight-step model for

leading major change by John Kotter, author of *Leading Change*, to assess the Army's

approach to improving property accountability.[29] According to Kotter's model, Steps 1

and 2 involve establishing a sense of urgency within the organization and creating a

guiding coalition. Elements of both steps can be seen in General Casey's initial

message and approach to this strategic problem. As described by Kotter, "Increasing

urgency demands that you remove sources of complacency or minimize their impact,"

and General Casey was able to establish a sense of urgency by highlighting the

pending budget crisis, insisting that commanders become accountable for a broader set

of performance standards, and initiating honest discussion of the Army's stewardship

problems during his senior-level forums.[30] Through a series of Operations Orders and

ALARACT messages, followed by key leader engagements by the Army Inspector

General, G3, G4, G8, Army Materiel Command, and the Office of the Surgeon General,

the Army's senior leadership effectively established a sense of urgency and created a

credible and expert guiding coalition to lead the effort.

Kotter's 3rd step involves developing both a vision to focus the change effort as

well as a strategy for achieving that vision.[31] One of the problems leading to the property

accountability quandary and a shift of culture was the limited wartime accounting policy

put in place in May, 2003, which remained in place until it was rescinded in November,

2005 with another ALARACT message.[32] The primary purpose of this recall message

was to address the substantial problems associated with property accountability within

the organizations that were deploying to and redeploying from Iraq and Afghanistan.

The Army's Vice Chief of Staff, General Cody, directed a strategy where only the Army

G3, based on instructions only from the Army G8, Army G4, Army Materiel Command,

or Office of the Surgeon General had the authority to direct equipment transactions,

including disposition instructions for left-behind equipment (LBE) and theater-provided

equipment (TPE). His message also announced the pending release of an update to

Army Regulation 710-2*, Inventory Management, Supply Policy Below the National

Level*, which was released in 2008.

The intent of General Cody's message to the field was to consolidate all decisions for property involving deployed units in an effort to synchronize efforts and gain control of property accountability. However, little progress was made in regard to supply discipline during this period, and the Army had not yet established the severity of mismatched data within the CAVERS and the Logistics Information Warehouse data bases. These problems were later identified with the Army Audit Agency findings beginning in 2006. Realizing, however, that the Army likely had a problem in this area, General Cody signaled his intention to maintain awareness of this initiative by directing the Army's Inspector General to add property accountability to their list of inspection items for the following fiscal year. Further, he directed the Army G4 to show status updates at the monthly strategic readiness update chaired by the Vice.[33]

Although not a sufficient solution by itself, his strategy was to reinvigorate systems and procedures, ones which can formalize the process of "paying attention" to a problem and reinforce the idea that the Army leaders really share a concern for the problem.[34] However, for the five years following this VCSA-led effort, the Army lost accountability for 400 million dollars in property.[35] Additionally, a 2010 Army Inspector General (IG) Audit of the command supply discipline program across the Army revealed that substantial problems still existed. Two of the four major issues identified by the Army IG included insufficient leader emphasis on property accountability and a lack of logistics training across the force to account for high personnel turnover, quicker promotions, and a focus on warrior tasks.[36] Hence, this effort was not successful.

Four years following Operation Total Recall and continuing along the same line of effort to solve this problem, the Army refined their strategy in 2010 and released

EXORD 259-10, which was a comprehensive approach in which the objective was to be an enduring campaign to achieve and sustain accountability for all property.[37] Although one could argue that the Army could have and should have acted sooner, the clear message and subsequent strategy appears to have set the Army on the right course. One key element of this renewed approach different from before was the inclusion of a strategic communications plan as part of the EXORD. Step 4 of Kotter's model involves communicating the strategy to the organization using all necessary and available means. "The real power of a vision is unleashed only when most of those involved in an . . . activity have a common understanding of its goals and direction. Managers under-communicate, and often not by a small amount."[38] This communications annex outlined the plan to "inform and educate key audiences on the Army's campaign to achieve 100% accountability and visibility of all Army property," and the annex to the plan addressed both primary and secondary audiences.[39]

The objective specified in the Annex was to continuously deliver the right message through coordinated action, communication, and engagement to a diverse audience which included leaders, Soldiers, civilians, and contractors within the Army, as well as the Department of Defense, Congress, and the American Public. Keeping to the plan, the CSA met with senior commanders in October 2010 at a Senior Leader Conference, and included in his talking points was the message that "property accountability is a commander's responsibility – at ALL echelons. Commanders must put teeth in their command supply discipline program," and that "we need to re-establish a culture of good supply discipline, and get our policies and procedures in line with ARFORGEN."[40] This, combined with the communication plan's objectives of

emphasizing logistics excellence awards, highlighting the issue at all pre-command courses, the AUSA convention, and 2-star conferences, and followed up with monthly installation visits from the Sergeant Major of the Army to retransmit the message shows an emphasis to empower broad-based action, which happens to be Kotter's fifth step.[41]

Step 5 consists not only of empowering broad-based action, but changing systems or structures that undermine the change vision. This step began incrementally in 2005 when the VCSA's centralized approval for property movement with the Army G3, continued with key changes to Army Regulation 710-2 in 2008, and through EXORD 259-10 with the empowerment of the Army G4's Task Force to eliminate friction points and gaps which impeded progress in this effort. These initiatives have led to some short term wins for the Army, which is Kotter's Step 6. In fact, since the start of the campaign in July 2010, by May 2011 the Army re-established accountability for 7,819 of the initial 17,205 items, at an acquisition value of almost 300 million dollars.[42] In so doing, the senior leadership has created momentum, which it hopes to build on as it progresses to Step 7 - consolidating gains and producing more change, and Step 8 - anchoring new approaches in the culture.

School-House Approach to the Problem and Recommendations:

When assessing the Army's performance at property accountability tasks, one can conclude from the persistent financial losses, the significant data mismatches within Army equipment data bases, and the periodic renewed vigor of related senior-leader messaging, that our junior officers have participated in a climate of supply indiscipline for a sustained period of time. If the experiential learning of our lieutenants and captains serving since 2003 has reinforced the negative elements of culture in regards to

property stewardship, then it becomes necessary to observe the strategy for the other

pillar for learning – the professional military education system. Of importance is the

breadth and depth of classroom training and education for property accountability

existing at the officer basic course and captain's career course for the 16 branch

schools throughout Training and Doctrine Command (TRADOC). It is at these schools

where the officers receive their initial, and often last, branch-specific technical training.

However, it is also at these courses where the officers receive exposure to non-branch

specific, yet essential, learning in common-core areas, to include administrative tasks

such as organizational maintenance, counseling, and command supply discipline.

In February 2010 the Combined Arms Center at Fort Leavenworth, KS created a

study team from within the Command and General Staff College to assess the Army's

approach and success with professional military education for the 16 captains' career

courses located throughout the TRADOC installations. The team interviewed key

leaders, established focus groups, conducted surveys with students and faculty, and

reviewed key documents before finalizing their report. One essential task of the team

was to review the Active Component courses for each branch (e.g. infantry, armor,

signal, etc.) to ensure compliance with Army Regulation 350-1, *Army Training and

Leader Development*, which requires that any captain's career course "provide captains

with the tactical, technical, and leader knowledge and skills needed to lead company-

sized units and serve on battalion and brigade staffs."[43] In this context, the survey team

examined the various resident career-course models, each between 20 and 21 weeks in

duration and containing 7.5 weeks devoted to common core instruction. One significant

conclusion from this study was that the career courses are adequately developing

technically and tactically competent officers, ones which can operate in a full spectrum environment. However, these same courses are placing less emphasis on preparing officers to serve on battalion and brigade staffs, and almost all branch schools only marginally prepare officers to lead company-sized units.[44]

One key reason for the decline in administrative skills of Army junior officers is due to rising requirements for the branch schools to train officers at their branch-specific technical skills. A 2009 common-core development and review board produced a decision to significantly reduce the class hours dedicated to administrative and managerial skills needed for company command.[45] Although the reduction in time spent on key tasks such as property accountability was seen as necessary, the Army is experiencing a classic mistake made by organizations, which is that they neglect to anchor change within the culture of their organization (Step 8 in Kotter's model).

Unit assignments for officers, self-study, and professional military education comprise the three pillars of learning for our officers, but on the subject of property accountability little material exists for a self-study program, requiring emphasis on the other two. "Anchoring change requires that sufficient time be taken to ensure that the next generation of management really does personify the new approach."[46] Kotter suggest that organizations can anchor change in multiple ways, to include promotion decisions, training priorities, and placing the right amount of emphasis on the successes surrounding the improvements brought about by the change. In a time-constrained environment of an Army school and with a high demand for officers to fill billets across a deployed force, Army leaders continue to wrestle with what topics to teach and how much time to devote to each area – trading risk and reward with each decision.

The Command and General Staff College study team compiled their conclusions, and they noted that students across all of the captains' career courses consistently expressed the desire to learn more about the leadership challenges and administrative and managerial skills associated with company command.[47] Their comments concerning the 20-21 week-long captains courses for their various branch schools were directed at the 17 hours focused on leading company-sized organizations, and within this time only 4 hours are currently devoted to property accountability.[48] For a Chief of Staff of the Army-initiative, this level of dedicated classroom focus seems inconsistent with the command messages of property accountability, and this is an example of a lost opportunity to anchor changes in the culture of junior officers. If units in the field consistently planned, rehearsed, and practiced sound property accountability systems (evidence suggests that they do not), then four hours of review at a transition course might be enough to reinforce their experiential learning. However, this does not appear to be the case.

Although the current campaign plan for reversing this downward trend of property discipline across the Army is producing some encouraging results, a broader look at the trends reveals some opportunities for improving the Army's strategy. One recommendation is to better institutionalize the subject of command supply discipline within the Captain's Career Course for all 16 branch schools. This paper recommends a dedicated supply exercise as a possible approach. This exercise would be integrated within the last 16 weeks of the typical 20-week course and would overlay the ongoing common and branch-specific curricular taught at each school, with students assuming the key roles such as supply sergeants, company commanders, property book officers,

and battalion S4s over the four-month period. Student role-playing would be supported with minimal equipment, such as the equipment, sets, kits, and outfits already positioned at each school to facilitate branch-specific training (e.g. vehicles, tents, radios, and weapons). Accompanying this equipment would be the corresponding technical manuals and supply documents, allowing for unlimited scenarios to inventory, sub-hand receipt, turn in, receive, and otherwise account for the training property with regulatory procedures and a Standard Army Management Information System such as PBUSE. With short, effective training events built into the weekly curriculum, young officers would experience first-hand the intricacies of what it takes to establish and maintain accountability and where mistakes are often made. Much like in an assignment as a company commander, supply accountability would exist and continue as a background effort to other lessons, requirements, and missions.

A second recommendation is for the Army to identify measures of performance and effectiveness in regard to property accountability two levels above the company commander. By placing more responsibility on battalion and brigade commanders for the results of their subordinate commanders, areas of concern that are directly correlated to the problem will better align with the Army's campaign plan. Battalion and brigade commanders who emphasize supply discipline will reverse trends such as the infrequent use of PBUSE as the system of record, the mismanagement of trained supply personnel, and lack of time allowed (or lack of motivation) for units to conduct cyclical supply actions each month. Additionally, the senior commander emphasis will enhance unit-level training where needed, ultimately improving the results. This recommendation will help anchor the change to Army culture through multiple levels of

command. Kotter argues that changing culture must always come last in the process for real change to occur, and only "after you have successfully altered people's actions,. . . and after people see the connection between the new actions and the performance improvement."[49]

<u>Conclusion</u>

Through its actions and message, the Army's approach is proving to be effective in achieving its goals and objectives in the realm of re-establishing property accountability. The metric used to evaluate this goal is fairly straight forward – on-hand property more accurately reflects the automated inventory data, and early indications are that things are greatly improving. What remains to be seen is how the Army will respond to a 10-year period where its young leaders learned the wrong lessons about property accountability, because there are consequences of a culture of supply indiscipline. Too much evidence exists that reveals leaders and Soldiers have placed low priority on supply regulatory requirements for almost decade. If the Army can understand this bigger problem - that is they may have created a leadership gap within the officer corps, it will refrain from declaring victory too soon. This is, after all, a campaign, and the efforts of Army leadership will be wasted if the institution cannot follow through with the final two steps of Kotter's *Leading Change* – Step 7, consolidating gains and producing more change, and Step 8, anchoring new approaches in the culture. The two recommendations provided in this paper offer one solution to helping this campaign in its continued success.

Endnotes

¹ LTC David Walden, email message to author, October 12, 2011, Deputy Chief of Staff, US Army G4, Memorandum to OSD-ATL, SUBJECT: *Personal Property Reported as Loss Data Call*, (Army Staffing Form: Tracking Number 110313418, May 13, 2011).

² Ibid.

³ Pentagon Telecommunications Center, "ALARACT 157/2006," August 6, 2006, linked from *The United States Army Home Page*, at https://www.us.army.mil/suite/page/550282 (accessed 11 November, 2011).

⁴ Ibid.

⁵ US Department of the Army, *Policies and Procedures for Property Accountability,* Army Regulation 735-5 (Washington, DC: US Department of the Army, February 28, 2005), par 2-8, linked from http://armypubs.army.mil/epubs/pdf/r735_5_d20050228.pdf (accessed October 15, 2011).

⁶ Army Operations Center, "ALARACT VCSA Sends Property Accountability During Deployment and Redeployment," 15 November 2005, linked from *The United States Army Home Page,* at https://www.us.army.mil/suite/doc/7105182 (accessed October 6, 2011).

⁷ U.S. Army Audit Agency, *Asset Visibility in Support of Operation Iraqi Freedom and Operation Enduring Freedom; 10ᵗʰ Mountain Division (Light Infantry)*, August 11, 2006, A-2006-0188-ALL, linked from https://aaashare.aaa.army.mil/auditreports0/reportfiles/fy06audreps/doclib/

⁸ Ibid.

⁹ Ibid.

¹⁰ Edgar H. Schein, *Organizational Culture and Leadership, Fourth Edition* (San Francisco, CA: Jossey-Bass, 2010), 237.

¹¹ John P. Kotter, *Leading Change* (Boston, MA: Harvard Business School Press, 1996), 29.

¹² A review of the AAA findings from the inspection of the various 10ᵗʰ Mountain Division Brigades revealed multiple instances of anecdotal comments from the Soldiers and leaders. These comments specified a lack of leader focus and untrained Soldiers as the primary cause of the loss of property accountability.

¹³ US Department of the Army, *Inventory Management – Supply Policy Below the National Level,* Army Regulation 710-2 (Washington, DC: US Department of the Army, 28 March 2008), Section IX, Par 2-49, linked from http://armypubs.army.mil/epubs/pdf/r710_2.pdf (accessed 15 December 2011).

¹⁴ A broader review of the property accountability lapses shows that not only are the deploying units continuing to loosen long-standing supply standards, but adjacent units have

allowed similar lapses. This suggests that Soldiers and leaders are quick to adopt to reduced standards if they perceive that others are doing the same.

[15] U.S. Army Audit Agency, *Asset Visibility in Support of Operation Iraqi Freedom and Operation Enduring Freedom; Army Reserve Equipment*, January 30, 2007, A-2007-0061-ALL, linked from https://aaashare.aaa.army.mil/auditreports0/reportfiles/fy07audreps/doclib/

[16] U.S. Army Audit Agency, *Asset Visibility in Support of Operation Iraqi Freedom and Operation Enduring Freedom; 3d Infantry Division, Fort Stewart, GA*, February 15, 2007, A-2007-0075-ALL, linked from https://aaashare.aaa.army.mil/auditreports0/reportfiles/fy07audreps/doclib/

[17] U.S. Army Audit Agency, *Asset Visibility in Support of Operation Iraqi Freedom and Operation Enduring Freedom; Army Reserve Equipment,* May 9, 2007, A-2007-0126-ALL, linked from https://aaashare.aaa.army.mil/auditreports0/reportfiles/fy07audreps/doclib/

[18] *U.S. Army Audit Agency, Accountability of Left Behind Equipment in Europe,* May 10, 2011, A-2011-0103-IEU, linked from https://aaashare.aaa.army.mil/auditreports0/reportfiles/fy11audrpts/doclib/

[19] LTC David Walden, email message to author, October 12, 2011, Senator Tom Coburn, MD, Committee on Homeland Security and Government Affairs, Letter to US Secretary of Defense Concerning Unaccounted For Personal Property, (via US Mail and Email, March 2, 2011).

[20] Colonel (Ret) Stephen J. Gerras, Ph.D., *Strategic Leadership Primer, 3rd Edition* (Department of Command, Leadership and Management, USAWC), 20.

[21] Kotter, *Leading Change,* 68.

[22] Ibid., 71.

[23] Gerras, *Strategic Leadership Primer*, 30.

[24] Ibid., 33.

[25] Pentagon Telecommunications Center, "ALARACT 234/2010," July 30, 2010, linked from *The United States Army Home Page*, at https://www.us.army.mil/suite/doc/23938948 (accessed 6 October, 2011).

[26] Ibid.

[27] The Army did just that when it rapidly transitioned to a counter insurgency strategy in Iraq. Knowing that it had no recent doctrine or practical experience on the subject to draw from, Army units not only trained at counter insurgency prior to deployments, but the officer and non-commissioned officer schools quickly adjusted their curriculum with updated, relevant material.

[28] Schein, *Organizational Culture and Leadership,* 246.

[29] Kotter, *Leading Change*, 21. The Eight-Stage Process for Creating Major Change is: Establishing a Sense of Urgency; Creating the Guiding Coalition; Developing a Vision and Strategy; Communicating the Change Vision; Empowering Broad-Based Action; Generating Short-Term Wins; Consolidating Gains and Producing More Change; Anchoring New Approaches in the Culture.

[30] Ibid., 42.

[31] Ibid., 21.

[32] Army Operations Center, "ALARACT VCSA Sends Property Accountability During Deployment and Redeployment," 15 November 2005, linked from *The United States Army Home Page,* at https://www.us.army.mil/suite/doc/7105182 (accessed October 6, 2011).

[33] Pentagon Telecommunications Center, "ALARACT 157/2006," August 6, 2006, linked from *The United States Army Home Page*, at https://www.us.army.mil/suite/page/550282 (accessed 11 November 2011).

[34] Schein, *Organizational Culture and Leadership,* 253.

[35] Walden, *Personal Property Reported as Loss Data Call*.

[36] The Pentagon Telecommunications Center, "*ALARACT 062/2010, VCSA Sends Property Accountability",* March 4, 2010, linked from https://www.us.army.mil/suite/doc/22067448, (accessed 6 October 2011).

[37] The Pentagon Telecommunications Center, "Campaign On Property Accountability," 9 July 2010, linked from *The United States Army Home Page,* at https://www.us.army.mil/suite/doc/23930364 (accessed 6 October 2011).

[38] Kotter, *Leading Change,* 85.

[39] The Pentagon Telecommunications Center, "Strategic Communication Plan to EXORD 259-10: Campaign on Property Accountability," 9 July 2010, linked from *The United States Army Home Page,* at https://www.us.army.mil/suite/doc/23847822 (accessed 6 October 2011).

[40] HQ DA, Army Public Affairs, "Senior Commanders Conference Talking Points," 8 October 2010, linked from *The United States Army Home Page,* at https://www.us.army.mil/suite/doc/24031181 (accessed 6 October 2011).

[41] Kotter, *Leading Change*, 85.

[42] Walden, *Personal Property Reported as Loss Data Call*.

[43] US Department of the Army, Army *Training and Leader Development,* Army Regulation 350-1 (Washington, DC: US Department of the Army, 4 August 2011), par 3-32, linked from http://armypubs.army.mil/epubs/pdf/r350_1.pdf (accessed 15 December 2011).

[44] Mr. James Beck, Program Manager for Captains Career Course, email message to author, December 5, 2011, Colonel William M. Raymond, Jr., Ph.D., *Special Commission from*

the U.S. Army Combined Arms Center, Report of Findings and Recommendations – 2010 U.S. Army Captains Career Course Study, 7 June 2010.

[45] Ibid.

[46] Kotter, *Leading Change*, 14.

[47] Beck, *Report of Findings and Recommendations*.

[48] Mr. James Beck, Program Manager for Captains Career Course, email message to author, December 5, 2011,US ARMY COMMAND AND GENERAL STAFF COLLEGE School Of Advanced Leadership and Tactics Mid-Grade Learning Continuum (MLC) 2015 Common Core LE100 *Leadership Essentials for Company-Sized Organizations*, Lesson Plan for Lesson LE150.

[49] Kotter, *Leading Change*, 156.